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David L. Armstrong
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John W. Clay
Commissioner

Timothy C. Mosher
American Electric Power
101A Enterprise Drive
P. O. Box 5190
Frankfort, KY 40602

September 22, 2008

RE: Case No. 2008-00350

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Stumbo".

Stephanie Stumbo
Executive Director

SS/rg
Enclosure



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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

IN THE MATTER OF THE JOINT)
APPLICATION PURSUANT TO 1994 HOUSE)
BILL NO. 501 FOR THE APPROVAL OF)
KENTUCKY POWER COLLABORATIVE) CASE NO. 2008-00350
DEMAND-SIDE MANAGEMENT PROGRAMS,)
AND FOR AUTHORITY TO IMPLEMENT A)
TARIFF TO RECOVER COSTS, NET LOST)
REVENUES AND RECEIVE INCENTIVES)
ASSOCIATED WITH THE IMPLEMENTATION)
OF THE KENTUCKY POWER COMPANY)
COLLABORATIVE DEMAND-SIDE)
MANAGEMENT PROGRAMS)

O R D E R

On August 26, 2008, American Electric Power d/b/a Kentucky Power Company ("Kentucky Power"), on behalf of its DSM Collaborative,¹ filed its 6-month Demand Side Management ("DSM") status report. Kentucky Power notes that the revised DSM Adjustment clause factor for the residential sector has been agreed upon by its DSM Collaborative with the exception of the Office of the Attorney General, who abstained. In its application, Kentucky Power makes the following requests:

¹ The DSM Collaborative includes Kentucky Power, the Attorney General's Office, Kentuckians for the Commonwealth, Big Sandy Area Development District, Northeast Kentucky Area Development Council, Kentucky Tech Northeast Region, Christian Appalachian Project, Kentucky Division of Energy (as a result of restructuring within Kentucky state government, the Kentucky Division of Energy is now the Governor's Office of Energy Policy), Coleman Oil, Cedar Knoll Galleria, Kentucky Industrial Utility Customers, Big Sandy Area Community Action Program, LKLP – Community Action Council, Middle Kentucky River Area Development Council, Appalachian Regional Defense Fund, and Appalachian Service Project.

- A three-year extension of its Targeted Energy Efficiency Program; High Efficiency Heat Pump – Mobile Home Program; the Mobile Home New Construction Program; and the Modified Energy Fitness Program;
- Utilization of the Efficiency Incentive, as described in Case No. 1995-00427,² in lieu of the Maximizing Incentive for the All-Electric segment of the Targeted Energy Efficiency Program; and
- Approval to implement its revised DSM tariff effective September 27, 2008, using the new factors with the first billing cycle in October 2008.

Based on a review of the application and being otherwise sufficiently advised, the Commission finds that an investigation is necessary to determine the reasonableness of the proposals and that such investigation cannot be concluded prior to the proposed effective date. Consequently, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the new rates for 5 months.

IT IS THEREFORE ORDERED that:

1. Kentucky Power's proposed rates, which are to be effective on September 27, 2008, are suspended for 5 months, up to and including February 27, 2009.
2. The procedural schedule set forth in Appendix A to this Order shall be followed in this proceeding.
3. a. Responses to requests for information shall be appropriately bound, tabbed and indexed and shall include the name of the witness responsible for

² Case No. 1995-00427, In the Matter of the Joint Application Pursuant to 1994 House Bill No. 501 for the Approval of the Kentucky Power Company ("KPCO") Collaborative Demand-Side Management Programs, and for Authority for KPCO to Implement a Tariff to Recover Costs, Net Lost Revenues, and Receive Incentives Associated with the Implementation of the KPCO Collaborative Demand-Side Management Programs.

responding to the questions related to the information provided, with copies to all parties of record and 7 copies to the Commission.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. Any party shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which a party fails or refuses to furnish all or part of the requested information, that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

4. Service of any document or pleading shall be made in accordance with Administrative Regulation 807 KAR 5:001, Section 3(7).

5. All documents that the Commission requires any party to file with the Commission shall also be served upon all parties of record at or before the time of filing.

6. All parties shall respond to any interrogatories and requests for production of documents that Commission Staff submits in accordance with the procedural schedule set forth in Appendix A.

7. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

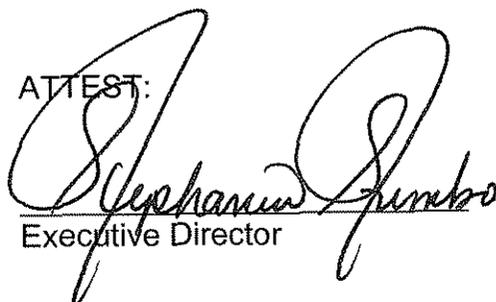
8. Kentucky Power's DSM programs and DSM rates shall, if necessary, continue after their expiration until such time as the Commission has issued a final Order in the instant proceeding.

Done at Frankfort, Kentucky, this 22nd day of September, 2008.

By the Commission

Vice Chairman Gardner Abstains.

ATTEST:


Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00350 DATED SEPTEMBER 22, 2008

Any party may file a request for intervention no later than..... 09/24/08

Intervenors and Commission Staff may serve interrogatories and requests
for production of documents upon Kentucky Power no later than..... 10/07/08

Kentucky Power shall file with the Commission and serve upon all parties
of record responses to interrogatories and requests for production of
documents no later than 10/21/08

Any party may file a request for hearing, supported by a detailed
statement of factual issues to be raised therein, or, in the alternative,
written comments on Kentucky Power's proposal no later than..... 11/04/08

Any party desiring to file responses to comments shall do so no later than 11/11/08